

**ComEd's Current Rider CFRA Carbon-Free Resource Adjustment tariff,
effective May 8, 2023**

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

Applicable to Rates BES, BESH, and RDS

RECEIVED

Dec 21 2022

ERM #22-215

CHIEF CLERK'S OFFICE

ILLINOIS COMMERCE COMMISSION

APPLICABILITY.

This rider is applicable to all retail customers.

PURPOSE.

The purpose of this rider is to effectuate provisions in subsection 16-108(k) of the Public Utilities Act (Act) to allow the Company to recover all of the costs it incurs and/or provide bill credits to customers associated with the procurement of carbon mitigation credits to meet the requirements of subsection 1-75(d-10) of the Illinois Power Agency (IPA) Act.

DEFINITIONS.

Generally, definitions of terms used in this rider are provided in the Definitions part of the General Terms and Conditions of the Company's Schedule of Rates. The following definitions are for use in this rider:

Delivery Year

Delivery year means the annual period beginning June 1 in one calendar year and extending through May 31 in the next calendar year.

Carbon Mitigation Credit

Carbon Mitigation Credit (CMC) means a tradable credit that represents the carbon emission reduction attributes of one megawatt-hour of energy produced from a carbon-free energy resource in accordance with subsection 1-75(d-10) of the IPA Act.

Carbon-Free Energy Resource

Carbon-Free Energy Resource (CFER) means a generating facility that: (1) is fueled by nuclear power; and (2) is interconnected to PJM Interconnection, LLC.

* **Carbon-Free Resource Monthly Reconciliation Factor**

Carbon-Free Resource Monthly Reconciliation (CFRMR) Factor means a unit credit or charge that, through its application, periodically equalizes applicable revenues from or credits to retail customers for the CMCs procured for them by the Company and the expenses incurred by the Company related to such procurement, thereby ensuring that the Company does not over or under recover its costs related to the procurement of CMCs for its retail customers in accordance with subsection 1-75(d-10) of the IPA Act.

DETERMINATION OF THE CARBON-FREE RESOURCE ADJUSTMENT.

- * Beginning in calendar year 2022, for the monthly billing periods beginning with the June monthly billing period in calendar year X and extending through the May monthly billing period in calendar year X+1 associated with the delivery year starting in calendar year X in accordance with the provisions of subsection 1-75(d-10)(3) of the IPA Act (CMC Contracts), the Company must determine the Carbon-Free Resource (CFR) Adjustment associated with the Summer and Nonsummer Periods, as defined in the Definitions part of General Terms and Conditions of the Company's Schedule of Rates, in cents per kilowatt-hour (¢/kWh) rounded to the thousandths of a cent, in accordance with the following equation:

(Continued on Sheet No. 389)

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 388)

*** DETERMINATION OF THE CARBON-FREE RESOURCE ADJUSTMENT (CONTINUED).**

$$\text{CFR Adjustment} = \left[\frac{P}{U} + \frac{BA}{BU} \right] \times \frac{100¢}{\$1}$$

Where:

P = Payments, in dollars (\$), equal to the sum of the expenditures the Company expects to incur or revenues the Company expects to receive associated with the procurement of CMCs during the months corresponding to the monthly billing periods during which the CFR Adjustment is applicable. Such expenditures include, but are not limited to, payments that the Company must make to CFERs during the delivery year beginning in calendar year X in accordance with applicable CMC Contracts and reasonable costs the Company expects to incur as part of the CMC procurement processes and to implement and comply with plans and processes approved by the Illinois Commerce Commission (ICC) to effectuate subsection 1-75(d-10) of the IPA Act. Such costs the Company expects to incur as part of the CMC procurement processes and to implement and comply with plans and processes approved by the ICC to effectuate subsection 1-75(d-10) of the IPA Act include but are not limited to costs of working capital used to arrange or procure CMCs, with such costs determined in a manner consistent with the methodology used to determine costs of working capital approved by the ICC in its order in the Company's most recent rate or Rate DSPP – Delivery Service Pricing and Performance (Rate DSPP) annual update case, or as otherwise provided by law, as applicable.

Including costs of working capital in the determination of the P provides for the recovery of costs the Company incurs for working capital used to arrange or procure CMCs, such as the funds required to finance the lag between the purchase of CMCs and the recovery of the costs of such resources from retail customers. Such costs are determined in a manner consistent with the methodology used to determine costs of working capital approved by the ICC in its order in the Company's most recent rate or Rate DSPP annual update case, or as otherwise provided by law, as applicable. Such methodology is applied using a cost of capital equal to that established by the ICC in its order in such most recent case or as otherwise provided by law, as applicable. All other data, including applicable leads and lags, are updated annually to reflect current CMC procurement working capital costs. Company representatives must review such calculated costs with personnel from the Accounting Department of the ICC Staff in accordance with the provisions of the Annual Review and Reconciliation section of this rider. A cost of capital established by the ICC in its order in such most recent case or as otherwise provided by law, as applicable, is applied in determining the costs of the working capital component of the AP, as defined in this Determination of the Carbon-Free Resource Adjustment section, only for CMCs that become applicable after the date of such order or law, as applicable.

(Continued on Sheet No. 390)

RECEIVED

Dec 21 2022

ERM #22-215

CHIEF CLERK'S OFFICE

ILLINOIS COMMERCE COMMISSION

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 389)

DETERMINATION OF THE CARBON-FREE RESOURCE ADJUSTMENT (CONTINUED).

U = Usage, in kilowatt-hour (kWh), equal to the electricity forecasted to be delivered to retail customers during the monthly billing periods during which the CFR Adjustment is applicable.

* BA = Balancing Amount, in \$, equal to zero dollars (\$0.00) for CFR Adjustments applicable during the monthly billing periods other than the June 2023 through May 2024 delivery year. Such amount includes, for the period of time beginning with the June 2022 monthly billing period continuing through the May 2024 monthly billing period, the outstanding under or over recovery balance of actual payments (AP) less actual costs (AC), plus interest at the interest rates established by the ICC in accordance with 83 Illinois Administrative Code Section 280.40(g)(1).

RECEIVED

Mar 24 2023

ERM #23-042

**CHIEF CLERK'S OFFICE
ILLINOIS COMMERCE COMMISSION**

Such interest is calculated on a monthly basis (i.e., applicable established interest rate divided by twelve (12) months), for the period of time beginning with the June 2022 monthly billing period continuing through the May 2024 monthly billing period on the outstanding under or over recovery balance of actual payments (AP) less cost recoveries (CR), compounded monthly at the interest rates established for 2022 and 2023, with an estimate for 2024 to be updated in December 2023 to the interest rate established by the Commission in December 2023 for 2024. Any difference between the amount of interest estimated for 2024 and the actual amount as calculated in December 2023, is to be added to, or subtracted from, as applicable, the balancing amount remaining as of December 2023.

Where:
AP

= Actual Payments, in \$, equal to the total expenditures the Company incurred or revenue received during the June 2022 through April 2023 monthly billing periods that were associated with the procurement of CMCs, including but not limited to (a) payments made to CFERs for the procurement of CMCs and reasonable costs the Company incurred as part of the CMC procurement processes and to implement and comply with plans and processes approved by the ICC to effectuate subsection 1-75(d-10) of the IPA Act; and (b) beginning with the June 2022 monthly billing period, costs identified through the use of a wages and salaries allocator calculated as initially directed by the ICC in its Order in Docket No. 11-0721, dated May 29, 2012, with any subsequent value of such allocator as approved by the ICC in its order in the Company's most recent rate or Rate DSPP annual update case, or as otherwise provided by law, as applicable. Notwithstanding the above, the Actual Payments are recomputed in September 2023 to incorporate the May 2023 monthly billing period's Actual payments.

*

(Continued on Sheet No. 390.1)

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 390)

* **DETERMINATION OF THE CARBON-FREE RESOURCE ADJUSTMENT (CONTINUED).**

CR = Cost Recoveries, in \$, equal to the revenues billed or credits due to the application of CFR Adjustment(s) during the June 2022 monthly billing period and extending through the April 2023 monthly billing period. Notwithstanding the above, Cost Recoveries are recomputed in September 2023 to incorporate the actual Cost Recoveries during the May 2023 monthly billing period.

BU = Balance Usage, in kWh, equal to the electricity forecasted to be delivered to retail customers during the monthly billing periods during which the BA is applicable.

Generally, CFR Adjustments are determined in May each calendar year for application during the monthly billing periods corresponding to the Summer and Nonsummer Periods defined in the Definitions part of General Terms and Conditions of the Company's Schedule of Rates. The CFR Adjustment applicable during the monthly billing periods corresponding to the Nonsummer Period may be updated in September to better match the Company's applicable incurred and expected costs and its recovery of those costs. The CFR Adjustment applicable during the Summer Period of 2023 may include a BA calculated based upon the first eleven months of the June 2022 to May 2023 delivery year, with a BA update in September 2023 that includes all of that delivery year, applicable through the May 2024 billing period. Moreover, the CFR Adjustment may be revised by the Company in accordance with this Determination of the Carbon-Free Resource Adjustment section if the Company determines such revised CFR Adjustment results in a better match between the Company's applicable incurred and expected costs and its recovery of those costs.

RECEIVED

Mar 24 2023

ERM #23-042

CHIEF CLERK'S OFFICE

ILLINOIS COMMERCE COMMISSION

(Continued on Sheet No. 391)

Filed with the Illinois Commerce Commission on
March 24, 2023.
Asterisk (*) indicates change.

Date Effective: May 8, 2023
Issued by T. R. Donnelly, President and COO
Post Office Box 805379
Chicago, Illinois 60680-5379

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

* (Continued from Sheet No. 390.1)

DETERMINATION OF THE CARBON-FREE RESOURCE MONTHLY RECONCILIATION FACTOR.

The Carbon-Free Resource Monthly Reconciliation (CFRMR) Factor means a unit credit or charge that, through its application, periodically equalizes applicable revenues from or credits to retail customers resulting from the procurement of CMCs procured for them by the Company and the expenses incurred by the Company related to the procurement of such CMCs. For application beginning with the October 2023 monthly billing period, the Company must determine a CFRMR Factor, in cents per kilowatt-hour (¢/kWh) rounded to the thousandths of a cent, in accordance with the following equation:

* CFRMR Factor =
$$\frac{[(AP - CR) + (BA - BAR) + ABF + OA]}{U} \times \frac{100¢}{\$1}$$

Where:

- AP = The Actual Payments defined in the Determination of the Carbon-Free Resource Adjustment section of this tariff for the determination period(s).
- * BA = Balancing Amount defined in the Determination of the Carbon-Free Resource Adjustment section of this tariff for the determination period(s).
- * BAR = Balancing Amount Recovery for the determination period(s).
- CR = Cost Recoveries defined in the Determination of the Carbon-Free Resource Adjustment section of this tariff for the determination period(s).



(Continued on Sheet No. 392)

Filed with the Illinois Commerce Commission on
March 24, 2023.
Asterisk (*) indicates change.

Date Effective: May 8, 2023
Issued by T. R. Donnelly, President and COO
Post Office Box 805379
Chicago, Illinois 60680-5379

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 391)

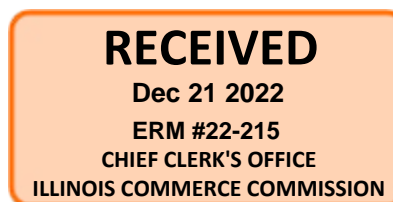
*** DETERMINATION OF THE CARBON-FREE RESOURCE MONTHLY RECONCILIATION FACTOR
(CONTINUED).**

- ABF = Automatic Balancing Factor, in \$, equal to the cumulative debit or credit balance resulting from the application of the CFRMR Factor through the determination period(s). Such balance includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.40(g).
- OA = Ordered Adjustment, in \$, equal to an amount (a) ordered by the ICC, or (b) determined by the Company, that is to be refunded to or collected from retail customers to correct for errors associated with the computation of previously applied CFRMR Factors. Such amount includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.40(g). Such interest is calculated for the period of time beginning on the first day of the effective period during which such CFRMR Factor was applied and extending through the day prior to the start of the effective period in which the OA is applied. Such amount may be amortized over multiple effective periods with interest.
- U = Usage, in kWh, equal to the electricity forecasted to be delivered to retail customers during the effective period.

For the purposes of the computation of a CFRMR Factor, a determination period means the calendar month for which the CFRMR Factor is determined. The first determination period is June 2023. An effective period means the monthly billing period during which a CFRMR Factor is applied to kWhs provided to retail customers. The first effective period is the October 2023 monthly billing period.

*** APPLICATION OF THE CARBON-FREE RESOURCE ADJUSTMENT AND THE CFRMR FACTOR.**

The CFR Adjustment and the CFRMR Factor are applicable to each kWh delivered to each retail customer during the monthly billing period during which the CFR Adjustment and the CFRMR Factor are effective. The combined amount resulting from such application of the CFR Adjustment plus the application of the CFRMR Factor must be shown as a separate line item on each electric service bill for each such retail customer, as applicable. Such line item is designated as the Carbon-Free Energy Resource Adj.



(Continued on Sheet No. 392.1)

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 392)

* **INFORMATIONAL FILINGS.**

Beginning in 2022, in each calendar year X the values of CFR Adjustments determined in accordance with the provisions of the Determination of the Carbon-Free Resource Adjustment section of this rider for application beginning with the June monthly billing period in year X must be submitted by the Company to the ICC in an informational filing no later than May 20 in any such calendar year.

CFR Adjustment values determined in accordance with the provisions of the Determination of the Carbon-Free Resource Adjustment section of this rider that incorporate nonzero BAs must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of the month prior to the monthly billing period during which such revised BA value becomes applicable.

Beginning September 2023, no later than the twentieth day of the month prior to the start of each effective period, the Company must file with the ICC for informational purposes the CFRMR Factor to be applicable during such effective period.

For a situation in which the Company revises a CFR Adjustment to provide for a better match between the Company's applicable incurred and expected costs and its recovery of those costs the resultant revised CFR Adjustment value must be submitted by the Company to the ICC in an informational filing no later than the twentieth day of the month prior to the monthly billing period during which such revised CFR Adjustment value becomes applicable.

Any submission of a CFR Adjustment or CFRMR Factor after the applicable deadline identified in this Informational Filings section but prior to the start of the period during which such CFR Adjustment or CFRMR Factor is to be applicable, is acceptable only if such submission corrects an error or errors from a timely submitted CFR Adjustment or CFRMR Factor for such period. Any other such submission made after such applicable deadline is acceptable only if such submission is made in accordance with the special permission provisions of Section 9-201(a) of the Act.

Each time the Company files a CFR Adjustment value or CFRMR Factor with the ICC for informational purposes, such filing must be accompanied by work papers supporting the determination of such CFR Adjustment or CFRMR Factor, as applicable.

RECEIVED

Dec 21 2022

ERM #22-215

CHIEF CLERK'S OFFICE

ILLINOIS COMMERCE COMMISSION

(Continued on Sheet No. 392.2)

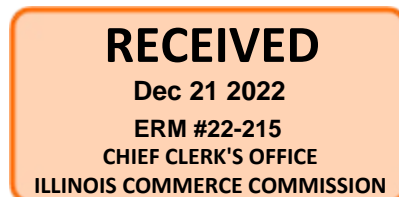
**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 392.1)

ANNUAL REVIEW AND RECONCILIATION.

Beginning in 2023, each year at least thirty (30) calendar days prior to the start of the June monthly billing period, internal administrative and operational costs and costs of working capital expected to be incurred by the Company as a result of its CMC procurement activities for retail customers beginning on the June 1 corresponding to such June monthly billing period must be reviewed by Company representatives with personnel from the Accounting Department of the ICC Staff.

- * Beginning in 2023, in each year X the Company must conduct an audit of its costs and the recoveries associated with such costs for the delivery year beginning June 1 in year X-1 during which period the Company procured CMCs. Such audit must be conducted within six (6) months after the end of such delivery year and must examine whether (a) the CFR Adjustment and CFRMR Factor are properly billed to customers, (b) costs recovered through this rider are properly reflected in the calculation of the CFR Adjustment and CFRMR Factor, (c) costs recovered through this rider are recorded in the appropriate accounts, (d) accounting controls are effectively preventing the double recovery of costs through this rider, (e) costs recovered through this rider are properly reflected in the annual reconciliation pursuant to this Annual Review and Reconciliation section, and (f) the Company's costs of working capital associated with expenditures for electric power and energy supply to ensure such costs were determined in a manner consistent with the methodology used to determine costs of working capital approved by the ICC in its order in the then most recent rate or Rate DSPP annual update case, or as otherwise provided by law, as applicable, using the cost of capital established by the ICC in its order in such most recent case or as otherwise provided by law, as applicable. The Company must prepare a report that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Director of the ICC Staff's Financial Analysis Division, and the Director of the ICC Staff's Office of Retail Market Development, and e-mailed to ICC.AccountingMgr@illinois.gov no later than January 15 of the calendar year after such audit is conducted. Such report must be verified by an officer of the Company. In addition, the Company must file a petition with the ICC that requests the ICC initiate a CFR Adjustment and CFRMR Factor reconciliation proceeding. Such petition must be filed within thirty (30) calendar days after the Company submits to the ICC the report described in this Annual Review and Reconciliation section. At the conclusion of such proceeding, the ICC determines the amount and timing of an OA, if any, to include in the determination of subsequent CFRMR Factor determined in accordance with the provisions of the Determination of the Carbon-Free Resource Monthly Reconciliation Factor section of this rider in order to correct for errors in CFR Adjustments and CFRMR Factors applied during the monthly billing periods addressed in the proceeding. Any such OA is determined to the extent that any such error has not been already reflected in an applicable BA or OA determined by the Company. After any such OA is determined by the ICC, the Company must reflect such OA in the determination of the CFRMR Factor in accordance with an order entered by the ICC that provides the terms under which the OA is to be reflected in the determination of the CFRMR Factor(s).



(Continued on Sheet No. 392.3)

Filed with the Illinois Commerce Commission on
December 21, 2022.
Asterisk (*) indicates change.

Date Effective: February 4, 2023
Issued by T. R. Donnelly, President and COO
Post Office Box 805379
Chicago, Illinois 60680-5379

**RIDER CFRA
CARBON-FREE RESOURCE ADJUSTMENT**

(Continued from Sheet No. 392.2)

MISCELLANEOUS GENERAL PROVISIONS.

Revenue associated with the application of CFR Adjustments must be recorded separately by the Company.

- * Notwithstanding any other provision of this rider, such CFR Adjustments are included on monthly bills until all CMCs have been retired and associated costs have been reconciled. Additionally, beginning with the June 2027 monthly billing period, after the obligations to procure CMCs ends, the Company may, at its discretion, include any amounts due to the Company or to customers in a future determination of a delivery services revenue requirement.

The Company's Schedule of Rates, of which this rider is a part, includes General Terms and Conditions and other tariffs. Service hereunder is subject to the General Terms and Conditions and such other tariffs, as applicable.